

# Consolidated Statement of Income and Profit Appropriation

(Prepared under PRC Accounting Standards)

Year ender 31 December 2006

|  | Note V | 2006<br>RMB             | 2005<br>RMB      |
|--|--------|-------------------------|------------------|
| <b>Principal operating income</b>                        | 34     | <b>34,319,874,152</b>   | 32,083,096,010   |
| Less: Cost of sales                                      | 34     | <b>(29,930,271,138)</b> | (27,294,506,637) |
| Taxes and surcharges                                     | 35     | <b>(240,393,042)</b>    | (219,107,015)    |
| <b>Profit from principal operating activities</b>        |        | <b>4,149,209,972</b>    | 4,569,482,358    |
| Add: Other operating profit                              | 36     | <b>51,436,894</b>       | 116,214,796      |
| Less: Selling expenses                                   |        | <b>(228,996,806)</b>    | (208,996,377)    |
| Administrative expenses                                  | 37     | <b>(964,295,568)</b>    | (929,639,074)    |
| Financial expenses                                       | 38     | <b>(342,770,249)</b>    | (209,482,151)    |
| <b>Operating profit</b>                                  |        | <b>2,664,584,243</b>    | 3,337,579,552    |
| Add: Investment income                                   | 39     | <b>59,564,445</b>       | 18,745,331       |
| Subsidies income   | 40     | <b>5,850,001</b>        | 1,992,600        |
| Non-operating income                                     |        | <b>3,499,848</b>        | 342,974          |
| Less: Non-operating expenses                             | 41     | <b>23,227,435</b>       | (36,393,600)     |
| <b>Profit before tax</b>                                 |        | <b>2,756,725,972</b>    | 3,322,266,857    |
| Less: Income tax   |        | <b>(422,239,437)</b>    | (433,775,030)    |
| Minority interests                                       | 29     | <b>(57,900,632)</b>     | (40,871,867)     |
| <b>Net profit</b>  |        | <b>2,276,585,903</b>    | 2,847,619,960    |
| Add: Retained profits at beginning of year               |        | <b>4,595,922,817</b>    | 3,758,605,642    |
| <b>Profit available for distribution</b>                 |        | <b>6,872,508,720</b>    | 6,606,225,602    |
| Less: Transfers to statutory reserve                     | 33     | <b>(237,416,338)</b>    | (286,812,511)    |
| Transfers to statutory public welfare fund               | 33     | –                       | (285,532,897)    |
| Transfers to reserve fund                                | 33     | <b>(11,934,321)</b>     | (7,632,717)      |
| Transfers to enterprise expansion fund                   | 33     | <b>(7,661,545)</b>      | (5,542,898)      |
| Transfers to employee bonus and welfare fund             | 33     | <b>(6,546,881)</b>      | (4,615,762)      |
| <b>Profit available for distribution to shareholders</b> |        | <b>6,608,949,635</b>    | 6,016,088,817    |
| Less: Ordinary share dividend payable                    |        | <b>(1,032,848,000)</b>  | (1,420,166,000)  |
| <b>Retained profits at end of year</b>                   |        | <b>5,576,101,635</b>    | 4,595,922,817    |

The accompanying notes form an integral part of the financial statements

Company Representative:  
**Gu Jianguo**  
17 April 2007

Chief Accountant:  
**Su Jianguang**  
17 April 2007

Head of Accounting Department:  
**Guan Yagang**  
17 April 2007